IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF APACHE

IN RE: THE GENERAL ADJUDICATION OF ALL RIGHTS TO USE WATER IN THE LITTLE COLORADO RIVER SYSTEM AND SOURCE	No. CV 6417-200 NOTICE OF PROPOSED SETTLEMENT
)

In re Zuni Indian Tribe Water Rights Settlement.

IMPORTANT NOTICE FOR CLAIMANTS IN THE LITTLE COLORADO RIVER GENERAL STREAM ADJUDICATION

Several parties to the Little Colorado River adjudication have asked the Superior Court to approve a proposed settlement of all claims of the Zuni Indian Tribe and the United States for the benefit of the Zuni Indian Tribe for water rights in the Little Colorado River basin in Arizona. The claimed water rights of the Tribe and the United States for the benefit of the Tribe, including its claims for the Zuni Heaven Reservation (as shown on the map, Attachment A), are subject to adjudication by this Court.

The parties to this proposed settlement (Settling Parties) include: the Zuni Indian Tribe; the United States of America in its capacity as trustee for the Tribe; the State of Arizona; the Arizona Game and Fish Commission; the Arizona State Land Department; the Arizona State Parks Board; St. Johns Irrigation & Ditch Company; Lyman Water Company; Round Valley Water Users' Association; Salt River Project Agricultural Improvement and Power District; Tucson Electric Power Company; the City of St. Johns; the Town of Eagar; and the Town of Springerville.

YOU ARE HEREBY NOTIFIED that the Court is conducting special proceedings to determine whether this proposed settlement should be approved. If the Court approves the proposed settlement and enters a final judgment adjudicating the water rights claims of the Zuni Indian Tribe and the United States for the benefit of the Tribe as set forth in a stipulation reflecting the principal terms of the settlement, the judgment will be binding upon all claimants in the Little Colorado River general stream adjudication except to the extent that the express terms of the stipulation and settlement agreement provide that non-signing parties will not be bound by the stipulation and settlement agreement.

The Court has ordered the Arizona Department of Water Resources (ADWR), to prepare a factual analysis and/or technical assessment of the proposed settlement. ADWR's report must be completed by May 15, 2006.

The Court has also ordered the Settling Parties to conduct an informational meeting to provide interested parties in the Little Colorado River Adjudication and the public with information about the proposed settlement. This meeting will be held at 7:00 p.m. on June 1, 2006, at the Apache County Board of Supervisors' Room, Apache County Annex Bldg., 75 West Cleveland, St. Johns, Arizona.

Once ADWR's report is filed with the Court, claimants in the Little Colorado River Adjudication will have until **June 29, 2006**, in which to file any objections they might have to the proposed settlement. The Court will thereafter schedule hearings on the proposed settlement and any objections to the proposed settlement.

You or your predecessor has filed a statement of claimant for water uses in the Little Colorado River system and source. Your claimed water rights may be affected by the proposed settlement. To help you determine whether you should file an objection to the proposed settlement, you should review the application filed by the parties to the proposed settlement, including the attached stipulation and proposed judgment and decree; the Court's Order of March 2, 2006, authorizing these special proceedings; the settlement documents; and, once it has been completed, ADWR's report to the Court. All these materials will be available at ADWR's website: http://www.azwater.gov/dwr, and may be examined during business hours at ADWR, 3550 N. Central Ave., Phoenix, Arizona, 85012, telephone number (602) 771-8500. Also, copies of these materials may be examined at the office of the Superior Court Clerk in each Arizona county located within the Little Colorado River System and Source.

If you decide to file an objection to the proposed settlement, you must do so on or before June 29, 2006. Any claimant in the general adjudication may file an objection with the general adjudication court asserting that:

- a. Approval of the stipulation setting forth the terms of the settlement, and the proposed final judgment and decree adjudicating the water rights claims of the Zuni Indian Tribe and the United States for the benefit of the Tribe as set forth in the settlement agreement, would cause material injury to the objector's claimed water right;
- b. The conditions described in the Arizona Supreme Court's Administrative Order dated September 27, 2000 providing for the approval of settlements of Indian water rights or water rights for other federal reservation(s) or federal lands, which warrant this special proceeding have not been satisfied;
- c. The water rights established in the settlement agreement, set forth in the stipulation and adjudicated in the proposed final judgment and decree are not fair, adequate, reasonable and consistent with applicable law, considering all of the circumstances surrounding the settlement and all of the consideration provided under the settlement; or
- d. The statutes authorizing and implementing the settlement are unconstitutional or the manner in which they are being applied to implement the settlement is unconstitutional.

Objections must also include:

- a. The name, address, and signature of the objector;
- b. A description of the water rights asserted in the objector's claim;
- c. A statement of the legal basis for the objection, and the specific factual grounds upon which the objection is based;
- d. A list of any witnesses and exhibits that the objector intends to present at any hearing on the objection;
- e. Any request for discovery relating to the objection and a statement as to the need for such discovery; and
- f. Any other information the adjudication court may require in the order for summary proceedings.

Objections must be filed with the Clerk of the Superior Court, Apache County, Attn: Water Case 6417, P.O. Box 365, St. Johns, Arizona, 85936, telephone number (928) 337-7550. Copies of all objections and all filings relating to the objections must be provided to the Settling Parties and all parties on the court approved mailing list for the Little Colorado River Adjudication.

If you have any questions concerning the proposed settlement and these special proceedings to consider the proposed settlement, you may wish to contact an attorney of your choice.

This Notice was approved on March 2, 2006, and mailed pursuant to the order of the Court.

EDDWARD P. BALLINGER, JR. Judge of the Superior Court

